

DIRECT TESTIMONY

OF

BRYAN C. SANT

ACCOUNTING DEPARTMENT

FINANCIAL ANALYSIS DIVISION

ILLINOIS COMMERCE COMMISSION

MT. CARMEL PUBLIC UTILITY COMPANY

DOCKET NO. 00-0717

JUNE 12, 2001

Witness Identification

Q. Please state your name and business address.

A. My name is Bryan C. Sant. My business address is 527 East Capitol, Springfield, Illinois 62701.

Q. By whom are you employed and in what capacity?

A. I am an accountant in the Accounting Department of the Financial Analysis Division of the Illinois Commerce Commission ("Commission").

Q. Please describe your qualifications.

A. I received a Bachelor of Business Administration degree with a double major in Accounting and Finance, and a Masters of Business Administration degree with an Accounting Emphasis from Idaho State University. I am a Certified Public Accountant in the state of Illinois.

After graduation, I was employed as an auditor with a national CPA firm for one and one-half years. I joined the Commission in May, 2000.

Q. What is the function of the Accounting Department of the Illinois Commerce Commission?

17 A. The Department's function is to monitor the financial condition of public utilities as
18 part of the Commission's responsibilities under Article IV of the Public Utilities Act
19 ("Act") (220 ILCS 5/1-101, et seq.) and to provide accounting expertise on matters
20 before the Commission.

21 **Q. Have you previously testified before this Commission?**

22 A. Yes, I have previously testified before the Commission in rate cases and in other
23 proceedings.

24 **Q. What are your responsibilities in this case?**

25 A. I have been assigned to this case by the Manager of the Accounting Department of
26 the Commission. I am to review Mt. Carmel's Purchase Gas Adjustment (PGA)
27 reconciliation, analyze the underlying data and propose adjustments where
28 appropriate.

29 **Purpose of Testimony**

30 **Q. What is the purpose of your testimony in this proceeding?**

31 A. The purpose of my testimony is to report the results of my review of Mt. Carmel's
32 PGA Reconciliation as calculated by their witness Philip Barnhard IV, on his Exhibit
33 G-2, page 1 (Commodity Gas Charge Reconciliation), page 2 (Non-Commodity Gas

Charge Reconciliation), and page 3 (Combined Gas Charge Reconciliation) and the underlying documents which support the calculations.

Results of the Review

Q. Do you recommend any adjustments to Mt. Carmel's PGA reconciliation as a result of your review ?

A. No.

Q. Please describe the steps you took for your review of the PGA reconciliation.

A. The review steps included:

- 1) Traced gas costs and revenues from the annual reconciliation to the monthly PGA reports filed with the Commission to verify that the amounts reported on the annual reconciliation were the amounts actually flowed through the PGA clause;
- 2) Traced gas costs and therm sales from the annual reconciliation to the annual report filed by Mt. Carmel to the Illinois Commerce Commission (ILCC Form 21) to verify that the amounts reported in the annual reconciliation were the amounts recorded in the financial records of the Company;

- 50 3) Traced 100% of the gas costs for a randomly selected month to supplier
51 invoices to ensure that only eligible costs are recovered through the PGA
52 clause;
- 53 4) Recalculated the PGA charge for a sample of customer bills from each billing
54 cycle during a randomly selected month for customers in the residential,
55 commercial and industrial classes to ensure that the PGA rate has been
56 properly billed;
- 57 5) Verified gas revenue for a randomly selected month by applying that month's
58 gas charge to the total therms sold for the month to ensure that the reported
59 PGA monthly revenues is appropriately stated;
- 60 6) Traced revenues from Mt. Carmel's Gas' PGA annual reconciliation to the
61 Company's sales summary to ensure that the annual PGA revenues reported
62 in the reconciliation is supported by the sales summary; and
- 63 7) Reviewed workpapers developed by the Company's external auditors for their
64 audit of the company's PGA reconciliation to determine whether there
65 were any findings from the external audit that should be considered in my
66 review.

67 **Summary**

68 **Q. Please summarize your recommendations.**

69 A. I find no reason to object to the Company's reconciliation of PGA revenues collected
70 under its Purchased Gas Adjustment Clause with the actual cost of gas supplies. I
71 recommend that the Commission accept the reconciliation of revenues collected
72 under the purchased gas adjustment clause with actual costs as reflected on Exhibit
73 G-2 page 1 (Commodity Gas Charge Reconciliation), page 2 (Non-Commodity Gas
74 Charge Reconciliation) and page 3 (Combined Gas Charge Reconciliation),
75 sponsored by Company witness Philip Barnhard IV.

76 The reconciliation in this proceeding does not require an Ordered Reconciliation
77 Factor (Factor O). The under/(over)-recovery balance at the end of the reconciliation
78 year has been carried over to the following year through the Adjustment Factor
79 (Factor A) in accordance with 83 Ill. Adm. Code 525.50.

80 **Q. Does this conclude your testimony?**

81 A. Yes, it does.

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION	:	
On Its Own Motion	:	
-vs-	:	
MT. CARMEL PUBLIC UTILITY COMPANY	:	
	:	00-0717
Reconciliation of revenues collected under gas	:	
Adjustment charges with actual costs prudently	:	
Incurred.	:	

NOTICE OF FILING

To Attached Service List:

YOU ARE HEREBY NOTIFIED that we have, on the 12th day of June, 2001, forwarded to the Chief Clerk of the Illinois Commerce Commission for filing in the aboved-captioned docket, the Direct Testimony of the Illinois Commerce Commission Staff Witness Bryan Sant of the Financial Analysis Division, Accounting Department, a copy of which is hereby served upon you.

Steven Knepler
Supervisor
Accounting Department
527 East Capitol Avenue
Springfield, IL 62701

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT copies of the foregoing Notice, together with the documents referred to therein, were served upon the parties of the attached Service List, by messenger, electronic mail, facsimile and/or first-class mail, proper postage prepaid from Springfield, Illinois on the 12th day of June, 2001.

Steven Knepler
Supervisor
Accounting Department

SK:blc
Enclosures

MT. CARMEL PUBLIC UTILITY COMPANY
Docket No. 00-0717
Service List

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ILLINOIS COMMERCE COMMISSION

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Mark Maple, Engineering Department